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SHANGHAI JUNSHI BIOSCIENCES CO., LTD.*

上海君實生物醫藥科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1877)

VOLUNTARY ANNOUNCEMENT - ENTERING INTO THE LICENSE AGREEMENT WITH ANWITA

This announcement is made by Shanghai Junshi Biosciences Co., Ltd.* (上海君實生物醫藥科技股份有限公司) (the “**Company**”) on a voluntary basis. Reference is also made to the overseas regulatory announcement of the Company dated 29 September 2020.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, the Company intends to enter into a license agreement (the “**License Agreement**”) with Anwita Biosciences, Inc. (“**Anwita**”). Anwita will grant the Company an exclusive license of Anti-HSA-IL-2N α series products and related ANWITA technology and intellectual property rights or an exclusive license used in conjunction with the proprietary products of the Company as agreed under the License Agreement in the licensed territory (including mainland China, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region) (the “**Licensed Territory**”). The above proposal is subject to consideration and approval by the shareholders at the 2020 third extraordinary general meeting of the Company.

KEY TERMS OF THE LICENSE AGREEMENT

I. License Scope

Anwita will grant the Company an exclusive license of Anti-HSA-IL-2N α series products and related ANWITA technology and intellectual property rights or an exclusive license used in conjunction with the proprietary products of the Company as agreed under the Licensed Agreement in the Licensed Territory. Licensed products include IL-2N α protein, Anti-HSA-IL-2N α fusion protein and derivatives. The Company will conduct research and development (“**R&D**”) and commercialization of the licensed products in the Licensed Territory. In addition, the Company is entitled to sublicense relevant authorization, and has the non-exclusive right to conduct clinical trials outside the Licensed Territory.

II. Financial Terms

(I) Upfront payment

The Company will pay an upfront payment of US\$2 million to Anwita.

(II) Milestone payment

The Company will pay Anwita milestone payments of no more than US\$86 million in aggregate based on the R&D and commercialization progress. The milestone payments are subject to the fulfilment of the corresponding R&D and commercialization targets, and the ultimate amount of payment is subject to uncertainties.

(III) Royalties

The Company will pay Anwita the royalties of single-digit percentage of the net sales of the licensed products.

(IV) Sublicense revenue sharing

When the Company completes a certain stage of clinical trials and obtains the corresponding clinical data, Anwita may request the Company to provide relevant clinical data. When Anwita shares the trial data with a third party at a gain, Anwita will share with the Company all proceeds received from sublicensing such rights to any third party. The commission amount will be agreed separately.

(V) Payment for the development of cell line

When the Company designates a drug or derivative of Anwita as a drug candidate for the Company's development, Anwita will provide the Company with cell line development services for drug production. For each cell line development work to develop drug candidates, the Company will make payments of up to US\$300,000 to Anwita.

INFORMATION ABOUT THE LICENSED PRODUCTS

Anti-HSA-IL-2N α are the IL-2 proprietary products developed by Anwita. They are based on AWT-P1790 which is owned by Anwita, with abolished CD25 binding, optimized CD122 affinity, and fused with an anti-HSA nanobody to extend their in vivo half-life. The improvements made these series of products become the new generation of potent IL-2 products with reduced toxicity.

INFORMATION ABOUT ANWITA

Anwita is a company headquartered in California, the United States. Its main business is to discover and develop cytokine fusion proteins and monoclonal antibodies. Anwita possesses strong technology skills of cytokine drug modification and excellent technical capabilities. Its technology platforms, including sd-HSA, have a wide range of applications for cytokine fusion proteins.

Mr. Zhong Ziyang is the chairman and chief executive officer of Anwita. As at the date of this announcement, the Company holds 2,990,162 series-A preferred shares of Anwita, accounting for approximately 20% of its issued shares. Mr. Feng Hui, an executive Director of the Company, is a director of Anwita. As at the date of this announcement, except for the above-mentioned events, there is no other relationship between Anwita and the Company in terms of property rights, businesses, assets, credits and debts or human resources.

To the best of the knowledge, information and belief of the Company having made all reasonable enquires, Anwita is not a connected person (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of the Company.

IMPACTS OF LICENSE AGREEMENT ON THE COMPANY

With its capability in continuous innovation in the field of cytokines, especially several modified cytokine drugs of oncology and auto-immune diseases that have overcome the high toxicity and short half-life of traditional cytokine drugs, Anwita enjoys certain technical advantages, thus creating greater synergy with the Company in the fields of oncology and auto-immune diseases.

The cooperation is conducive to expanding the Company's R&D pipeline in the field of cancer treatment, improving the Company's market layout and providing alternative treatment options for the unmet clinical needs in the market, which will have a positive impact on the sustained operations of the Company.

Under the PRC law, Anwita is a related party of the Company and the License Agreement constitutes a related party transaction and is subject to shareholders' approval by way of ordinary resolution. The Directors confirm that Anwita is not a connected person (as defined in the Listing Rules) of the Company and the License Agreement and the transactions contemplated thereunder do not constitute connected transaction under Chapter 14A of the Listing Rules.

RISK WARNING

As pharmaceutical product is characterized by high technology, high risk and high added value with a long-life cycle constituted of R&D, clinical development, drug approval and commercial production, and is prone to be affected by uncertainties, thus the successful approval and release of the aforementioned licensed drug is subject to certain risks. In addition, the matter is subject to consideration and approval at the 2020 third extraordinary general meeting of the Company. The milestone payments as agreed under the License Agreement are subject to the fulfilment of certain conditions, and the ultimate amount of payment is remained uncertain. Investors are reminded to exercise caution in making decisions and be cautious of investment risks. The Company will fulfill its information disclosure obligations in a timely manner in relation to the subsequent progress of the project in accordance with relevant regulations.

The proposed License Agreement will be subject to shareholders' approval by way of ordinary resolution at the 2020 third extraordinary general meeting of the Company. A circular containing, among other things, details of the above License Agreement will be despatched to the shareholders of the Company in due course.

By order of the Board
Shanghai Junshi Biosciences Co., Ltd.*
Mr. Xiong Jun
Chairman

Shanghai, the PRC, 30 September 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Xiong Jun, Dr. Li Ning, Dr. Feng Hui, Mr. Zhang Zhuobing, Dr. Wu Hai and Dr. Yao Sheng as executive Directors; Mr. Tang Yi, Mr. Li Cong, Mr. Yi Qingqing and Mr. Lin Lijun as non-executive Directors; and Dr. Chen Lieping, Mr. Chen Xinjun, Mr. Qian Zhi, Mr. Zhang Chun and Dr. Roy Steven Herbst as independent non-executive Directors.

* For identification purpose only